

THE PRESIDENT'S INTELLIGENCE CHECKLIST

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28 JUNE 1962
~~TOP SECRET~~

1. Taiwan Strait

a. There is no evidence of further changes in Chinese Communist military dispositions. 50X1

b. Nothing is in yet on reactions in either Peiping or Taipei to the President's press conference statements. However, Embassy Taipei reported yesterday that it detects a distinct shift in the Chinese Nationalists' public stance regarding mainland developments. Word has gone out to put the return-to-the-mainland talk in cold storage. Taipei now fears that the Chinese Communist stratagem is to create world pressure on the US to hold back the Nationalists from any moves against the mainland.

c. The Chinese Nationalists seemed reasonably satisfied by what our people had told them about the Cabot-Wang meeting in Warsaw. This was before yesterday's press stories on the subject, and instructions have gone out to Embassy Taipei in the expectation that the Chinese will press for more explanation.

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2. Laos

Yesterday, in Souphannouvong's absence, Phoumi issued a directive saying that the ministers of the outgoing Vientiane government were still "temporarily" in charge and that lower echelons should answer to them until "reintegration of administrative services of the three parties in the military and political field." This [redacted] is Phoumi's way of telling Souphannouvong that he is not alone on the stage even though Souvanna is away.

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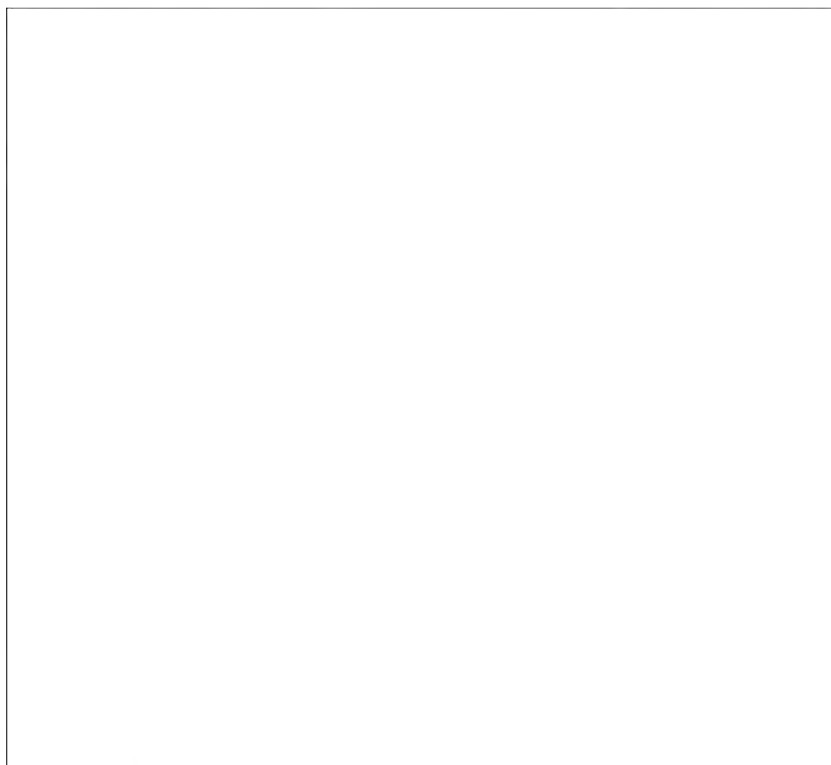
3. West New Guinea

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4. European Common Market

British accession will be at the center of the three-day EEC ministers' meeting opening in Brussels today. The chances are good that the conference can move along on a formula to accommodate Britain's obligation to India, Pakistan, Ceylon and the Commonwealth members in Africa. There is no solution in sight yet, however, on the problem of temperate-zone farm exports from the other Commonwealth countries.

5. South Korea



6. Peru

As the official count continues in slow-motion, Haya de la Torre is widening his minuscule lead. Embassy Lima now sees a possibility that he may even yet get the necessary one-third plurality. 50X1



USIB WATCH COMMITTEE MEETING

27 June 1962

1. With respect to the Chinese Communist buildup, the Committee stated that:

The reasons for the Chinese Communist troop movements into the area opposite Taiwan remain unclear. We still have no conclusive evidence whether Peiping is planning an attack on the offshore islands or whether the recent troop movements into the area are primarily for defensive purposes. The buildup in ground force strength since early June in the Amoy area has substantially increased Chinese Communist offensive and defensive capabilities with reference to the Chinmen Islands. Although air and artillery attacks could be launched with little or no warning, we believe that some warning would probably be associated with an amphibious assault large enough to attempt the capture of the Chinmens.

2. The Committee also reaffirmed its statement that there are no indications that the USSR or European Satellites intend to initiate direct military action in the immediate future.

NOTES

- A. The Brazilian Congress has turned down Foreign Minister Dantas as the new prime minister. Nothing has been heard so far from his leftist followers who have been threatening to make trouble in the streets if their man was vetoed.

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- C. There was a rightist demonstration against Secretary Rusk in Lisbon yesterday but it was a puny one which quickly died.

- D. The Mexican Government intends to send a delegation to the Economic Conference of Developing Countries in Cairo but has declined an invitation to serve as one of the cosponsors.

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THE DIRECTOR OF CENTRAL INTELLIGENCE